

# Police Pension Fund

## Board Minutes

### Of

### January 11, 2007

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**PRESENT:** Thomas M. McMahon, David M. Cituk, Ryan Hottenstein, Kevin L. Rudy, Toms Kampe, William Heim, Louis Rizzuto (Solicitor), and Toyia Reed (HR Coordinator/Pension)

**ABSENT:** None.

**ORDER:** Meeting was called to order by Mayor, Thomas McMahon @ 10:04 A.M.

**PRESENTER:** **1. Roger Barilani – Wachovia Securities**  
**Re: Portfolio Performance Report**  
 Roger Barilani recommends that the Board transfer the Pension Bond funds from the Money Market account at Sovereign Bank to Wachovia Securities in increments over a period of a quarter (3 months). He also recommends that the Board review the asset allocation which is currently at 50/50. The current portfolio value is \$48.3 million. MOTION by Kampe/Heim to accept the recommendation by money manager, Roger Barilani...**MOTION PASSED UNANIMOUSLY**

**MINUTES:** **MOTION** by Rudy/Heim to approve the minutes dated December 14, 2006 .....**MOTION PASSED UNANIMOUSLY.**

**FINANCIAL REPORTS:** **MOTION** by Cituk/Rudy to approve the following financial Reports ...**MOTION PASSED UNANIMOUSLY.**

Financial Report	December 2006
Statement of Transactions	December 2006

**BILLS:** **MOTION** by Cituk/Kampe to pay the following bills....**MOTION PASSED UNANIMOUSLY.**

1.	Louis Rizzuto	\$ 957.50
2.	George Hill Systems	\$ 63.64
3.	PAPERS	\$ 30.40
4.	City of Reading	\$9,477.00

**APPLICATIONS:** **MOTION** by Rudy/Kampe to approve the following application...**MOTION****PASSED UNANIMOUSLY**

Name: Christine C. Clouser

Type: Widow

Date: 12/10/2006

Amt: \$1534.57/Month

**MOTION** by Cituk/Rudy to approve the following application...**MOTION****PASSED UNANIMOUSLY**

Name: Todd Trupp

Type: Retirement

Date: 1/16/2007

Amt: \$4308.71/Month

**MOTION** by Cituk/Kampe to ask City of Reading Solicitor Younger to actively work with Police Pension Board Solicitor Rizzuto to update the Police Pension Fund Ordinance in order to comply with the new FOP contract...**MOTION PASSED UNANIMOUSLY**

**D.R.O.P.****APPLICATIONS:**

According to the new Police CBA all bargaining unit members are required to retire upon the completion of thirty (30) years of service effective January 1, 2008. If an application was submitted for DROP prior to December 31, 2006, the bargaining unit member is allowed to remain in the DROP program for five years. If an application was submitted after January 1, 2007, the bargaining unit member is only allowed to remain in the DROP program up until the completion of their 30<sup>th</sup> year of service (day before 31<sup>st</sup> year of service). Current bargaining unit members in the DROP program are grandfathered in order to complete their benefit.

**MOTION** Rudy/Hottenstein to accept the following DROP applications. The DROP exit dates have not been established due to the controversy regarding the CBA...**MOTION PASSED UNANIMOUSLY**

Name: Marc W. Creary  
D.O.H.: June 25, 1979  
Drop Entry: January 16, 2007  
Drop Exit: June 24, 2009  
Amount: \$4137.45

Name: Michael L. Dobrosky  
D.O.H.: June 25, 1979  
Drop Entry: January 16, 2007  
Drop Exit: June 24, 2009  
Amount: \$4053.54

Name: Richard Gery  
D.O.H.: June 25, 1979  
Drop Entry: January 16, 2007  
Drop Exit: January 16, 2012  
Amount: \$5805.66

Name: Barry D. Harding  
D.O.H.: April 14, 1980  
Drop Entry: January 16, 2007  
Drop Exit: April 13, 2011  
Amount: \$4395.32

Name: Scott K. Naugle  
 D.O.H.: June 25, 1979  
 Drop Entry: January 16, 2007  
 Drop Exit: June 24, 2010  
 Amount: \$4053.54

Name: Randy K. Organtini  
 D.O.H.: October 16, 1978  
 Drop Entry: January 16, 2007  
 Drop Exit: October 15, 2009  
 Amount: \$4285.32

Name: Philip L. Santoro  
 D.O.H.: July 3, 1967  
 Drop Entry: January 16, 2007  
 Drop Exit: December 31, 2007  
 Amount: \$5950.47

Name: Mark W. Stump  
 D.O.H.: April 14, 1980  
 Drop Entry: January 16, 2007  
 Drop Exit: April 13, 2011  
 Amount: \$4395.32

**REFUNDS:**

None.

**CORRESPONDENCE:**

**1. Charlie Kaucher  
 Re: COLA Request**

A copy of an email sent by Mr. Kaucher was provided to the Board.  
 Mr. Kaucher asked that the Board consider the issuance of a COLA.

**MOTION** by Cituk/Heim to accept Mr. Kaucher's letter...**MOTION PASSED UNANIMOUSLY**

**2. Request from City Clerk, Linda Kelleher  
 Re: HELPS Retirees Act**

City Clerk, Linda Kelleher submitted information to the Board requesting that Toyia Reed implement the program availability to pensioners to purchase healthcare coverage with pre-tax pension dollars.

**MOTION** by Rudy/Cituk to have Toyia Reed and David Cituk to implement program and notify pensioners when this service is available...**MOTION PASSED UNANIMOUSLY**

**3. Memorandum from Officer Nelson Berrios  
 Re: Military Buyback**

Officer Nelson Berrios submitted a letter of intent to the Board to purchase five (5) years of Military Time.

**MOTION** by Kampe/Cituk to have Solicitor Rizzuto research and clarify that Military Buyback Time purchased is Active Duty only...**MOTION PASSED UNANIMOUSLY.**

**4. Angel Cabrera  
 Re: Civilian Buyback**

Angel Cabrera has submitted a notice of intent to buyback five (5) years of

Civilian Time via payroll deduction of \$50.00 per pay.

**MOTION** by Cituk/Hottenstein to receive the correspondence from Officer Cabrera regarding his request to start payroll deductions for the buyback of his time with no interest bearing on the funds paid into the Police Pension Fund...**MOTION PASSED UNANIMOUSLY**

**OLD**  
**BUSINESS:**

**1. Military Buyback Update**

The Police Pension Board is still awaiting a decision from City Council to amend the Police Pension Fund ordinance in order to correct the 15-7% to 15.7% typographical error.

**2. D.R.O.P. Manual Update**

The D.R.O.P manual cannot be updated and/or completed until the Police Pension Fund ordinance is amended and complete. Police Pension Board Solicitor, Louis Rizzuto discussed this matter with City Solicitor, Charles Younger and it will be addressed to City Council again.

**3. Academy Instructor Pay**

Board member, David Cituk is still gathering information within a 3 year period in order to begin the process of issuing refunds to the individuals who have had pension contributions deducted from their Academy Instructor Pay.

**4. Calendar Year – Issue was in arbitration; has it been settled?**

Chief Heim stated that there has been a grievance filed on September 23, 2005. It has not gone into arbitration. The grievance was denied October 10, 2005 by Chief Broad. The FOP is planning to take this to arbitration.

**5. Cost of Living Adjustment**

Solicitor Rizzuto asked Toyia to provide him with how many current retirees are receiving less than \$1000 per month in retirement benefits; there are 36 retirees who actually live on less than \$1000 per month. Upon completion and receipt of the upcoming actuarial study, the decision will be made on whether or not the Board should issue a COLA.

**6. City of Reading 2006 Pension Bond**

The City of Reading recently floated a Pension Bond to attempt to fully fund all (3) Pension Funds. The City of Reading has deposited \$25,414,680.47 into the Police Pension Fund.

### **7. New FOP Contract – Pension Enhancements**

Police Pension Board Solicitor, Louis Rizzuto will work together with the City of Reading Solicitor, Charles Younger to update the Police Pension Fund Ordinance to reflect the changes as per the new contract, effective January 1, 2007.

### **8. Stratton Marmarou Request**

Councilman Marmarou requested to receive an audit of all three (3) Pension Funds to include the administrative costs and the rate of return for the past five (5) to ten (10) years. This information will be provided during the February meeting.

### **NEW BUSINESS:**

#### **1. Third Annual PAPERS Forum**

This is the annual conference for the Pennsylvania Association of Public Employee Retirement Systems. Toyia Reed was fortunate enough to attend this conference last year. She asks that the Board consider the opportunity for her to attend again this year.

**MOTION** by Rudy/Hottenstein to send Toyia to the Third Annual PAPERS Conference...**MOTION PASSED UNANIMOUSLY**

#### **2. Relay for Life Fundraiser for the City of Reading Team**

Toyia Reed is on the City of Reading Relay for Life Team. The City's team will be holding a Longaberger Basket Bingo Fundraiser on March 4, 2007 in an effort to raise funds for the American Cancer Society. She asked that each Board member personally consider being a Basket Sponsor for this event.

**MOTION** by Rudy/Cituk for any member of the Board who wants to contribute personally to see Toyia after the meeting; although the contributions will be collected individually, the contribution will be recognized collectively from the Police Pension Board.

#### **3. Toms Kampe Board Position**

A new active member will need to be appointed to the Police Pension Board due to the retirement of Toms Kampe on January 19, 2007. The FOP will appoint a new member.

#### **4. Sergeant Mark Stump**

Sergeant Stump made the Board aware of a discrepancy found on his Plan Participant Report. His start date is April 14, 1980 and his report does not show 1980 and 1981 contributions individually.

**MOTION** by Rudy/Kampe to have David Cituk research this matter...**MOTION PASSED UNANIMOUSLY**

**ADJOURNMENT:** **MOTION** by Cituk/Hottenstein to adjourn @ 11:45 A.M.

Respectfully submitted \_\_\_\_\_  
Pension Coordinator